

# Defense Contract Management Command



## Payment Process Improvement Initiative

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# Overview

- **Background**
- **DCMC Success Stories**
- **Our Goal**
- **Our Plan**
- **Summary**



# Background

## Problem:

- **Payment problems are constant source of concern & frustration for DCMC, DFAS, DCAA, buying commands, & contractors**
  - We're all "players" in end-to-end process that impacts payments
- **No systematic process for identifying source & root cause of major problems**
  - Without this information, systemic solutions aren't developed
  - Each problem is solved individually





# DCMC Success Stories

## Payment Improvements:

- **Expanded Electronic Data Interchange (EDI) Progress Payments**
  - Increased # of contractors using EDI from 75 to >300
  - No longer a special application - - it's now the norm
  - Reduces errors & expedites payments
- **Established Process for Getting Paperless Cost-Type Payment Documents to ACOs (Estimated Completion - Mid-March)**
  - Got DFAS agreement to send electronic Public Voucher (SF 1034), Subvoucher (DLA 1675), and Advice of Payment (DLA 477) to Electronic Data Access (EDA) servers
  - DCMC's Electronic Document Workflow (EDW) will download documents daily and send to ACO folders
  - Will help ACOs identify problems, thus improving accuracy & timeliness



# DCMC Success Stories (Cont'd)

## Other Contributing Initiatives:

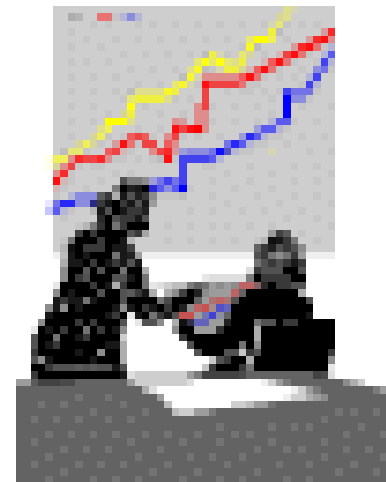
- Support to Defense Industry Leaders (DIL) meetings at DFAS
- ACO/TCO Conference
- Joint Contract Administration Service Conference
- DLA-AFMC Day
- Other Transactions Roundtable & One Book chapter
- “Spotlights on Risk” Guidebook being revised
- Other Disbursing Office (ODO) guidance issued
- Canceling funds databases posted to web
- Fast Track/Reconciliation joint initiative with DFAS
- Terminations Integrated Process Teams
- Credit card test of payment at delivery
- User-friendly Group web page with lots of info & great links!
  - Go to DCMC Site Index & select “Payment”



# Our Goal

**Use a process-oriented approach to:**

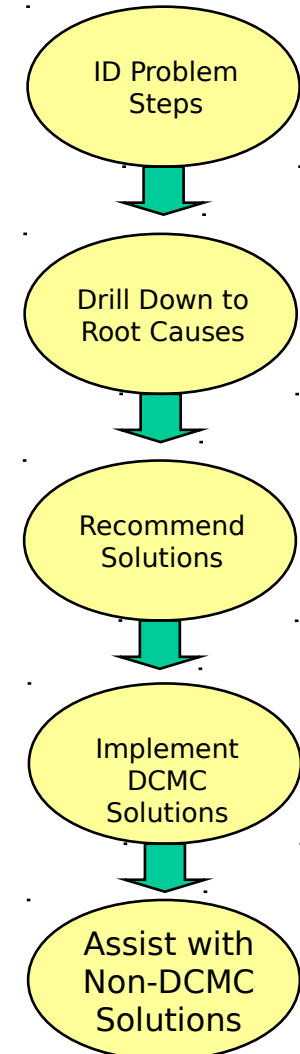
- ✓ **Collect objective data on payment problems**
- ✓ **Identify root causes of major payment problems**
- ✓ **Recommend *systemic* solutions to the problems**





# Our Plan

- ✓ Identify steps of the end-to-end payment process that are major contributors to payment problems
- ✓ Drill down to the root causes of the problems
- ✓ Recommend solutions to the problems
- ✓ DCMC implement DCMC-controlled solutions
- ✓ DCMC assist with non-DCMC-controlled solutions





- | ID | January<br>Jan | February<br>Feb | March<br>Mar | April<br>Apr | May<br>May | June<br>Jun | July<br>Jul | August<br>Aug | September<br>Sep | October<br>Oct |
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# Our Plan (Cont'd)

## DATA SOURCES:

- ✓ MOCAS Reports
- ✓ Shared Data Warehouse (SDW)
- ✓ Customer Liaison Representative (CLR) Report
- ✓ Help Desk Issues
- ✓ DFAS Customer Service Summaries
- ✓ Defense Industry Leaders (DIL) Concerns
- ✓ Internal Operations Assessment (IOA) Reports
- ✓ General Accounting Office (GAO) Reports
- ✓ Inspector General (IG) Reports
- ✓ DFAS Front-End Analysis Reports

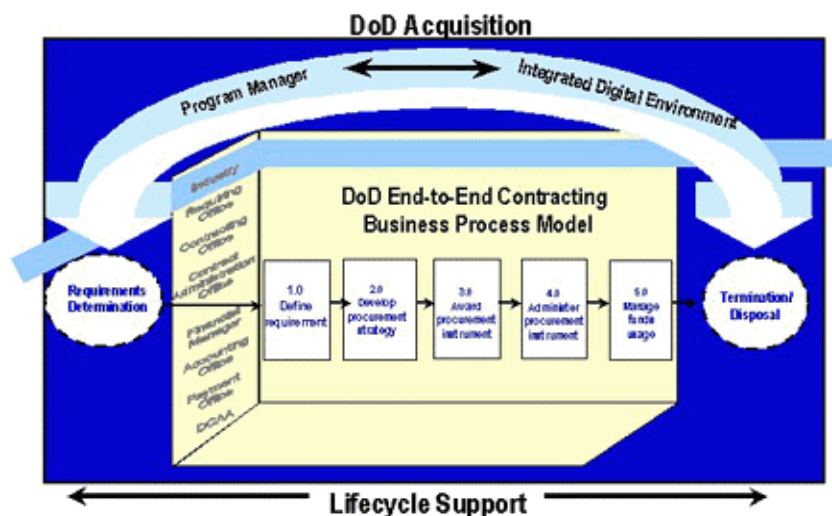


- ✓ Program Integration
- ✓ Customer Interviews
- ✓ Commanders Round-Table Survey
- ✓ DFAS Congressional Responses
- ✓ DFAS-CO CLR Logs
- ✓ Overage Invoice Charts from DFAS Metrics
- ✓ Air Force Lightning Bolt Initiative on Payment
- ✓ "Payment Days" Data Call
- ✓ DD Form 1716 Reports
- ✓ DFAS Focus Group (DFAS Customer Service Group)
- ✓ Others as identified



# Summary

- **End-to-end process approach**
  - Analyze data
  - Drill down to root causes
  - Develop systemic solutions



*For more information:* At DCMC Site Index click on "Payment," then view "Initiatives"